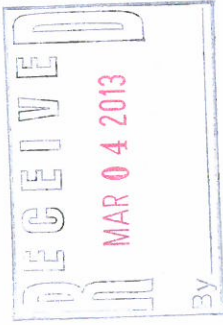


# ANNUAL STATEMENT



For the Year Ended

December 31, 2012

OF THE CONDITION AND AFFAIRS OF THE

## GERMAN FARMERS MUTUAL OF SARDIS INSURANCE ASSOCIATION

ORGANIZED UNDER THE LAWS OF THE STATE OF OHIO

Made to the

### INSURANCE COMMISSIONER OF THE STATE OF OHIO

Pursuant to the Laws thereof

**NAIC Company Code** 10309

**Home Office**  
43022 Six-Points Rd Lainings 43752 OH  
Street and Number City Zip Code

**Mail Address**  
P.O. Box 28 Lainings 43752 OH  
Street and Number City Zip Code

**Main Administrative Office**  
(740) 472-1471  
Telephone Number

**Organized** December 3, 1879 **Commenced Business** January 28, 1872

**Annual Statement Contact Person** Janis Alleman **Telephone Number** (740) 472-1471

**Contact Person Email Address** janis@gfsardis.com

### OFFICERS

**President** John Shaw **Vice President** David Alleman

**Secretary** Janis Alleman **Treasurer** Janis Alleman

### DIRECTORS

(ALL DIRECTORS MUST BE SHOWN)

David Alleman Trent Indermuhle Gary McIntire  
John G Shaw Robert Winkler

State of Ohio

County of

Monroe

John G Shaw Janis Alleman Secretary of the  
President and

**GERMAN FARMERS MUTUAL OF SARDIS INSURANCE ASSOCIATION**

being duly sworn each for himself/herself deposes and says, that they are the above described officers of said reporting entity, and that on the reporting period stated above all the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, with the schedules and explanations herein contained, annexed or referred to, is a full and correct statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, according to the best of their information, knowledge and belief, respectively.

Subscribed and sworn to before me, this 28

day of February 2013

Elaine Alleman  
Notary Public



ELAINE ALLEMAN  
NOTARY PUBLIC, STATE OF OHIO  
MY COMMISSION EXPIRES 10/14/14

John Shaw Janis Alleman  
President Secretary

Janis Alleman  
Secretary

Janis Alleman  
Signature of Person Preparing Statement

GERMAN FARMERS MUTUAL OF SARDIS INSURANCE ASSOCIATION**ASSETS**

		Assets Current Year	Nonadmitted Assets Current Year	Net Admitted Assets Current Year	Net Admitted Assets Prior Year
1	Bonds (Schedule D - Part 1)	0.00	0.00	0.00	0.00
2	Preferred stocks, common stocks and mutual funds (Schedule D - Part 2)	6,859.30	0.00	6,859.30	6,710.95
3	Real estate (less liens, encumbrances) (Schedule A)	0.00	0.00	0.00	0.00
4	Cash (Schedule E)	622,125.33	0.00	622,125.33	749,275.22
5	Short-term investments	0.00	0.00	0.00	0.00
6	Aggregate write-ins for invested assets	0.00	0.00	0.00	0.00
7	Subtotals, cash and invested assets	628,984.63	0.00	628,984.63	755,986.17
8	Investment income due and accrued	578.97	0.00	578.97	822.00
9.1	Assessments or premiums in the course of collection (including agents balances)	0.00	0.00	0.00	0.00
9.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due	0.00	0.00	0.00	0.00
9.3	Earned but unbilled premiums (post assessment)	0.00	0.00	0.00	0.00
10.1	Amounts recoverable from reinsurers	52,691.87	0.00	52,691.87	0.00
10.2	Funds held by or deposited with reinsured companies	0.00	0.00	0.00	0.00
11.1	Current federal income tax recoverable and interest thereon	0.00	0.00	0.00	0.00
11.2	Net deferred tax asset	0.00	0.00	0.00	0.00
12	Electronic data processing equipment and software	5,309.43	5,309.43	0.00	0.00
13	Furniture and equipment	0.00	0.00	0.00	0.00
14	Receivables from parent, subsidiaries and affiliates	5,174.75	0.00	5,174.75	5,204.80
15	Aggregate write-ins for other than invested assets	0.00	0.00	0.00	3,097.00
16	Total Assets	692,739.65	5,309.43	687,430.22	765,109.97
	Details of Write-Ins for Assets:				
1501	Receivables from salvage	0.00	0.00	0.00	3,097.00
1502				0.00	
1503				0.00	
1598	Summary or remaining write-ins from overflow page	0.00	0.00	0.00	0.00
1599	Total aggregate write-ins	0.00	0.00	0.00	3,097.00

**ANNUAL STATEMENT FOR THE YEAR  
GERMAN FARMERS MUTUAL OF SARDIS INSURANCE ASSOCIATION**

2012

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	Current Year	Prior Year
1 Unpaid Losses (Underwriting Exhibit - Part 2A)	48,013.96	11,000.00
2 Unpaid loss adjustment expenses (Underwriting Exhibit - Part 2A)	28,000.00	0.00
3 Commissions due and payable to agents	0.00	0.00
4 Other expenses (excluding taxes, licenses and fees)	10,184.96	1,457.18
5 Taxes, licenses and fees (excluding federal income taxes)	942.60	803.36
6 Current federal income taxes (including \$0 on realized capital gains (losses))	0.00	0.00
7 Net deferred tax liability	0.00	0.00
8 Borrowed money and interest thereon	0.00	0.00
9 Unearned assessment/premium reserve	109,219.86	109,292.51
10 Advance premium	0.00	0.00
11 Ceded reinsurance premiums payable	5,935.23	7,074.42
12 Funds held by company under reinsurance treaties	142.01	134.06
13 Amounts withheld or retained by company for account of others	2,963.36	3,916.03
14 Provision for unauthorized reinsurance	0.00	0.00
15 Payable to parent, subsidiaries and affiliates	759.00	901.00
16 Aggregate write-ins for liabilities	1,388.22	1,383.61
17 Total liabilities	207,549.20	135,962.17
18 Surplus as regards policyholders	480,182.55	629,147.80
19 Total liabilities and surplus	687,731.75	765,109.97
Details of Write-Ins for Liabilities:		
1601 Remittal Payable	341.22	335.74
1602 State Withholding Tax	450.21	343.82
1603 Employees 941 Tax	596.79	704.05
1698 Summary or remaining write-ins from overflow page	0.00	0.00
1699 Total aggregate write-ins	1,388.22	1,383.61

**ANNUAL STATEMENT FOR THE YEAR  
GERMAN FARMERS MUTUAL OF SARDIS INSURANCE ASSOCIATION  
STATEMENT OF INCOME**

2012

	Current Year	Prior Year
<b>UNDERWRITING INCOME</b>		
1.1	417,081.77	421,951.53
1.2	1,766.36	1,813.25
1.3	415,315.41	420,138.28
1.4	70,131.92	84,915.98
1.5	0.00	0.00
1.6	345,183.49	335,222.30
<b>DEDUCTIONS</b>		
2	293,771.96	208,125.95
3	35,574.24	7,582.96
4	194,438.78	177,844.83
5	0.00	0.00
6	523,784.98	393,553.74
7	-178,601.49	-58,331.44
<b>INVESTMENT INCOME</b>		
8	12,553.30	16,603.60
9	0.00	0.00
10	12,553.30	16,603.60
<b>OTHER INCOME</b>		
11	0.00	0.00
12	3,455.63	3,994.73
13	11,721.12	11,951.70
14	15,176.75	15,946.43
15	-150,871.44	-25,781.41
16	0.00	0.00
17	-150,871.44	-25,781.41
<b>SURPLUS ACCOUNT</b>		
18	629,147.80	660,142.19
19	-150,871.44	-25,781.41
20	148.35	1,135.68
21	0.00	0.00
22	1,757.84	-6,348.66
23	0.00	0.00
24	0.00	0.00
25	-148,965.25	-30,994.39
26	480,182.55	629,147.80
<b>DETAILS OF WRITE-INS</b>		
0501		
0502		
0503		
0599	0.00	0.00
1301	7,673.10	7,676.27
1302	131.02	91.23
1303	3,917.00	4,184.20
1304		
1399	11,721.12	11,951.70
2401		
2402		
2499	0.00	0.00

**ANNUAL STATEMENT FOR THE YEAR**  
**GERMAN FARMERS MUTUAL OF SARDIS INSURANCE ASSOCIATION**  
**CASH FLOW STATEMENT**

2012

	Current Year	Prior Year
<b>Cash from Operations</b>		
1	402,716.50	395,563.64
2	12,553.30	15,781.60
3	134,932.91	19,652.18
4	550,202.71	430,997.42
5	441,104.71	232,494.63
6	236,247.89	233,903.65
7	0.00	0.00
8	677,352.60	466,398.28
9	-127,149.89	-35,400.86
<b>Cash from Investments</b>		
10		
10.1		
10.2		
10.3		
10.4		
10.5		
10.6	0.00	0.00
11		
11.1		
11.2		
11.3		
11.4		
11.5	0.00	0.00
11.6	0.00	0.00
<b>Cash from Financing and Miscellaneous Sources</b>		
12.1		
12.2		
13	0.00	0.00
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
14	-127,149.89	-35,400.86
15.1	749,275.22	784,676.08
15.2	622,125.33	749,275.22

**ANNUAL STATEMENT FOR THE YEAR 2012**  
**GERMAN FARMERS MUTUAL OF SARDIS INSURANCE ASSOCIATION**

**EXPENSE EXHIBIT**

	Current Year
<b>Claim Adjusting:</b>	
1.1 Direct	
1.2 Reinsurance assumed	0.00
1.3 Reinsurance ceded excluding contingent (commission and brokerage)	0.00
1.4 Net claim adjusting	0.00
<b>Commission and Brokerage:</b>	
2.1 Direct commission and brokerage	41,765.16
2.2 Reinsurance assumed excluding contingent	0.00
2.3 Reinsurance ceded excluding contingent (commission and brokerage)	0.00
2.4 Contingent - direct (commission and brokerage)	0.00
2.5 Contingent - reinsurance assumed (commission and brokerage)	0.00
2.6 Contingent - reinsurance ceded (commission and brokerage)	0.00
2.7 Policy and membership fees (commission and brokerage)	0.00
2.8 Net commission and brokerage	41,765.16
3 Allowances to managers and agents	0.00
4 Advertising	648.68
5 Boards, bureaus and associations	2,311.00
6 Surveys and underwriting reports	0.00
7 Audit of assureds' records	0.00
<b>Salary and related items:</b>	
8.1 Salaries	75,373.14
8.2 Payroll taxes	6,171.59
9 Employee relations and welfare	1,638.11
10 Insurance	10,631.36
11 Directors' fees	4,760.00
12 Travel and travel items	2,003.06
13 Rent and rent items	5,400.00
14 Equipment	4,258.94
15 Cost or depreciation of EDP equipment and software	0.00
16 Printing and stationery	1,448.35
17 Postage, telephone, exchange and express	5,026.64
18 Legal and auditing	10,318.00
19 Loss adjustment expenses	35,574.24
18 Investment expenses	0.00
19 Totals	165,563.11
<b>Taxes, licenses and fees:</b>	
20.1 State and local insurance taxes	0.00
20.2 Insurance department licenses and fees	965.00
20.3 All other (excluding federal income and real estate)	250.00
20.4 Total taxes, licenses and fees	1,215.00
21 Real estate expenses	0.00
22 Real estate taxes	0.00
23 Aggregate write-ins for miscellaneous expenses	21,469.75
24 <b>Total expenses incurred (a)</b>	230,013.02
25 Less unpaid expenses - current year	0.00
26 Add unpaid expenses - prior year	0.00
27 Total expenses paid	230,013.02
<b>Details of Write-Ins:</b>	
2301 Earthquake & SPP Prem	1,631.42
2302 Equipment Breakdown Prem	19,585.00
2303 Misc Expense	246.10
2304 Collection Expense	7.23
2305	
2399 Total Write-ins	21,469.75

(a) Includes management fees of \$0 to affiliates and \$0 to non-affiliates

ANNUAL STATEMENT FOR THE YEAR 2012  
GERMAN FARMERS MUTUAL OF SARDIS INSURANCE ASSOCIATION

INSURANCE IN FORCE

	Amount (dollars)	Number
1 In force December 31 of previous year (to equal prior year's statement)	123,055,950	831
2 Written during the year	8,376,670	34
3 Total	131,432,620	865
4 Deduct those expired and cancelled	5,169,275	49
5 In force December 31 of current year	126,263,345	816
6 Deduct amount reinsured	0	XXX
7 Net amount in force	126,263,345	XXX

**UNDERWRITING EXHIBIT - PART 2  
LOSSES INCURRED**

1	2	3	4	5	6
Lines of Business	Direct Losses Incurred	Losses Incurred on Reinsurance Assumed	Deduct: Reinsurance Recovered on Incurred Losses	Deduct: Salvage and Subrogation Converted To Cash	Net Losses Incurred Columns 2 and 3 minus Columns 4 and 5
Fire.....	40,686.83				40,686.83
Lightning.....	9,131.35				9,131.35
Windstorm.....	403,804.16		177,944.97		225,859.19
Hailstorm.....	1,907.21				1,907.21
Extended Coverage.....	4,539.57				4,539.57
SECE.....	10,647.81				10,647.81
IBNR.....	1,000.00				1,000.00
OVERFLOW AMOUNTS					
<b>Totals</b>	<b>\$ 471,716.93</b>	<b>\$ -</b>	<b>\$ 177,944.97</b>	<b>\$ -</b>	<b>\$ 293,771.96</b>

\* Total should equal Line 2, Page 4, Current Year.

**UNDERWRITING EXHIBIT - PART 2A  
UNPAID LOSSES and LOSS ADJUSTMENT EXPENSES**

1	2	3	4	5	6
Lines of Business	Direct Unpaid Losses	Unpaid Losses on Reinsurance Assumed	Deduct: Reinsurance Recoverable on Unpaid Losses	Unpaid Loss Adjustment Expenses	Net Unpaid Losses Columns 2 and 3 minus Column 4
Wind.....	47,013.96			28,000.00	47,013.96
IBNR.....	1,000.00				1,000.00
OVERFLOW AMOUNTS					
<b>Totals</b>	<b>\$ 48,013.96</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 28,000.00</b>	<b>\$ 48,013.96</b>

\*\* Total should equal Line 2, Page 3, Current Year.

\*\*\* Total should equal Line 1, Page 3, Current Year.

GERMAN FARMERS MUTUAL OF SARDIS INSURANCE ASSOCIATION

## EXHIBIT OF NONADMITTED ASSETS

	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets
1	Bonds	0.00	0.00
2	Preferred and common stocks and mutual funds	0.00	0.00
3	Real estate (less liens, encumbrances)	0.00	0.00
4	Cash	0.00	0.00
5	Short-term investments	0.00	0.00
6	Aggregate write-ins for invested assets	0.00	0.00
7	Subtotals, cash and invested assets	0.00	0.00
8	Investment income due and accrued	0.00	0.00
9.1	Assessments or premiums in the course of collection (including agents balances)	0.00	0.00
9.2	Premium receivable for advance pay	0.00	0.00
9.3	Earned but unbilled premiums (post assessment)	0.00	0.00
10.1	Amounts recoverable from reinsurers	0.00	0.00
10.2	Funds held by or deposited with reinsured companies	0.00	0.00
11.1	Current federal income tax recoverable and interest thereon	0.00	0.00
11.2	Net deferred tax asset	0.00	0.00
12	Electronic data processing equipment and software	5,309.43	7,067.27
13	Furniture and equipment	0.00	0.00
14	Receivables from parent, subsidiaries and affiliates	0.00	0.00
15	Aggregate write-ins for other than invested assets	0.00	0.00
16	Total Assets	5,309.43	7,067.27
	Details of Write-Ins for Assets:		1,757.84
1501		0.00	0.00
1502		0.00	0.00
1503		0.00	0.00
1598	Summary or remaining write-ins from overflow page	0.00	0.00
1599	Total aggregate write-ins	0.00	0.00





SCHEDULE D - PART 2  
Showing all Preferred & Common Stocks and Mutual Funds Owned December 31 of Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	
Cusip #	Description Give complete and accurate description of all stocks and mutual funds owned.	From Whom Acquired	Acquired Date	No. of Shares	Par Value (Preferred Stocks)	Book Value	Used To Obtain Market Value	Market Value/Current Year	Fair Value/Current Year	Actual Cost	Received During Year	Dividends and Accrued Amount Due Dec. 31	Increase, by Adjustment, in Book Value During Year	Decrease, by Adjustment, in Book Value During Year
62989*105	No Par Common Stock	German Frms Agency	8/8/2000	100.00	1.00	100.00	1.00	100.00	100.00	100.00				
	Class B Common Stock	NAMIC	4/7/1987	30.00	225.31	6,759.30	225.31	6,759.30	6,759.30	1,500.00			148.35	
Totals					XXX	6,859.30	XXX	6,859.30	1,600.00	1,600.00			148.35	
	OVERFLOW AMOUNTS FROM PAGE 19				XXX	-	XXX	-	-	-			-	-










ANNUAL STATEMENT FOR THE YEAR  
GERMAN FARMERS MUTUAL OF SARDIS INSURANCE ASSOCIATION

2012

ORGANIZATIONAL CHART

LIST ALL ENTITIES THAT ARE MEMBERS OF AN INSURANCE COMPANY HOLDING SYSTEM AS  
DEFINED IN ORC 3901.32

German Farmers Mutual of Sardis Insurance Association (parent)  
German Farmers of Sardis Insurance Agency (subsidiary)





Overflow Page for Investments Owned

SCHEDULE D - PART 1

Showing all BONDS Owned on December 31 of Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Cusp #	Give complete and accurate description of all bonds owned.	From Whom Acquired	Date Acquired	Par Value	Actual Cost	Book Value / Amortized Value*	Market Value December 31 of Current Year	Rate (%)	Amount Due and Accrued Dec. 31 of Current Year	Gross Am't Received During Year	Increase by Adjustment, in Book Value During Year	Decrease by Adjustment, in Book Value During Year	Amount of Interest due and accrued Dec. 31. Current year, on bonds in principal or interest	Maturity Date	NAIC Designation
1	Description	3	4	5	6	7	8	9	10	11	12	13	14	15	16
* Annual Statement Value															
XXX	Totals to Page 11	XXX	XXX	\$ -	\$ -	\$ -	XXX	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	XXX	XXX
** You can insert additional rows in yellow above if needed!															
NONE															

SCHEDULE D - PART 2

Showing all Preferred & Common Stocks and Mutual Funds Owned December 31 of Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Cusp #	Give complete and accurate description of all stocks and mutual funds owned.	From Whom Acquired	Date Acquired	No. of Shares	Par Value (Preferred Stocks)	Book Value	Per Share Rate Used To Obtain Market Value	Market Value / Fair Value December 31 of Current Year	Actual Cost	Received During Year	Dividends and Accrued Dec. 31	Increase, by Adjustment, in Book Value During Year	Decrease, by Adjustment, in Book Value During Year
1	Description	3	4	5	6	7	8	9	10	11	12	13	14
Totals to Page 12													
XXX	XXX	XXX	XXX	XXX	XXX	\$ -	XXX	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
** You can insert additional rows in yellow above if needed!													
NONE													

